

# BUSINESS INVESTMENT AND JOBS EXPANSION CREDIT CLAIMS AGAINST PERSONAL INCOME TAX



Tax Period From: \_\_\_\_\_ To: \_\_\_\_\_

<input type="checkbox"/> Taxpayer's First Name	<input type="checkbox"/> Last Name	Your Social Security Number <div style="border: 1px solid black; width: 100%; height: 20px; margin: 5px 0;"></div>
<input type="checkbox"/> If Joint Return, Spouse's First Name		Spouse's Social Security Number <div style="border: 1px solid black; width: 100%; height: 20px; margin: 5px 0;"></div>
<input type="checkbox"/> Present Home Address		
<input type="checkbox"/> City	<input type="checkbox"/> State	<input type="checkbox"/> Zip Code
Your Telephone Number <div style="border: 1px solid black; width: 100%; height: 20px; margin: 5px 0;"></div>		

**Part I Pass-Through Entity Credit Calculation**

1. a. Pass-Through Entity Name: \_\_\_\_\_
- b. Pass-Through Entity FEIN: \_\_\_\_\_
- c. Pass-Through Entity Tax Year: \_\_\_\_\_
2. West Virginia Apportionment Factor of the Pass-Through Entity  
(Express as a Decimal to 6 Places; from Form WV/BFT-120) \_\_\_\_\_
3. Project Payroll Factor Expressed as Decimal to 6 Places  
(Form WV/BCS-1, Part III, Section 2) \_\_\_\_\_
4. Annual Credit Allowance Available (Form WV/BCS-1, Part V, Section 2, Line (a)) \_\_\_\_\_

**Amount of Credit Applied**

5. a. Business and Occupation Tax (Form WV/BCS-1, Part IV, Column 5, Line (a)) ... \_\_\_\_\_
- b. Severance Tax (Form WV/BCS-1, Part IV, Column 5, Line (b)) \_\_\_\_\_
- c. Telecommunications Tax (Form WV/BCS-1, Part IV, Column 5, Line (c)) \_\_\_\_\_
- d. Business Franchise Tax (Form WV/BCS-1, Part IV, Column 5, Line (d)) \_\_\_\_\_
6. Amount of Credit Applied Total (Sum of Lines 5a through 5d) \_\_\_\_\_
7. Amount of Credit Remaining (Line 4 less Line 6) \_\_\_\_\_
8. Maximum Rebate Allowable Current Year (Form WV/BCS-1, Part V, Section 2, Line (d)) \_\_\_\_\_
9. Rebate Available Current Year (Lesser of Line 7 or Line 8) \_\_\_\_\_
10. Rebate from Prior Years (Form WV/BCS-1, Part V, Section 2, Line (f)) \_\_\_\_\_

**Amount of Rebate Applied  
(First Apply Against Prior Year Rebate Until Value Exhausted)**

- |   | Col. I<br>Prior Year | Col. II<br>Current Year |
|---|----------------------|-------------------------|
| 11. a. Business and Occupation Tax (Form WV/BCS-1, Part IV, Column 7, Line (a)) ... |                      |                         |
| b. Severance Tax (Form WV/BCS-1, Part IV, Column 7, Line (b))                       |                      |                         |
| c. Telecommunications Tax (Form WV/BCS-1, Part IV, Column 7, Line (c))              |                      |                         |
| d. Business Franchise Tax (Form WV/BCS-1, Part IV, Column 7, Line (d))              |                      |                         |
| 12. Amount of Rebate Applied Total (Sum of Lines 11a through 11d)                   |                      |                         |
13. Amount of Credit Remaining for Shareholders (Line 7 less Line 12, Col. II) \_\_\_\_\_
  14. Amount of Prior Year Rebate Available for Shareholders (Line 10 less Line 12, Col. I) \_\_\_\_\_

- 15. Amount of Current Year Rebate Available for Shareholders (Line 9 less Line 12, Col. II) .....
- 16. Free-Up Credit Available to Pass-Through Entity (Form WV/BCS-1, Part VI, Line 9 less Form WV/BCS-1, Part IV, Column 12 applied against Business Franchise Tax) .....

**Deferred Credit Allocation (Only Applicable for Projects in the 11th to 13th Years. All Others Skip to Part II, Line 1**

- 17. Available Deferment Credit .....

**Amount of Deferred Credit Applied**

- 18. a. Applied Against Business and Occupation Tax .....
- b. Applied Against Severance Tax .....
- c. Applied Against Telecommunications Tax .....
- d. Applied Against Business Franchise Tax .....
- 19. Amount of Deferred Credit Applied Total ( Sum of Lines 18a through 18d) .....
- 20. Amount of Deferred Credit Available to Shareholders (Line 17 less Line 19) .....

**Part II Claiming the Credit**

- 1. Shareholders Ownership Percentage Expressed as Decimal to 6 Places (From Federal Form 1120S, Schedule K-1) .....
- 2. Shareholders Ordinary Income From the Pass-Through Entity (From Federal Form 1120S, Schedule K-1) .....
- 3. West Virginia Apportioned Shareholders Ordinary Income (Part I, Line 2 times Part II, Line 2) .....
- 4. Credit Available to Shareholder (Part I, Line 13 times Line 1) .....
- 5. Prior Year Rebate Available to Shareholder (Part I, Line 14 times Line 1) .....
- 6. West Virginia Personal Income Tax Return Type (IT-140 or IT-140NR/PY) .....
- 7. West Virginia Income for Credit Purposes (IT-140 Filers use West Virginia Adjusted Gross Income; IT-140NR/PY Filers Must Calculate an Equivalent West Virginia Gross Income Following the Enclosed Instructions) .....
- 8. Qualified Income Fraction (Express as Decimal to 6 Places; Not greater than 1.0; Line 3 divided by Line 7) .....
- 9. West Virginia Income Tax (From Form IT-140 or Form IT-140NR/PY) .....
- 10. Tax Attributable to the Qualified Business (Line 9 times Line 8) .....
- 11. Payroll Factor (Part I, Line 3) .....
- 12. Tax Attributable to Investment (Line 10 times Lines 11) .....
- 13. Personal Income Tax Offset Factor ..... **.800**
- 14. Tax Subject to Credit (Line 12 times Line 13) .....
- 15. Amount of Credit Applied (Lesser of Line 4 or Line 14) .....
- 16. Tax Subject to Rebate (Line 12 less Line 14) .....
- 17. Amount of Prior Year Rebate Applied (Lesser of Line 5 or Line 16) .....
- 18. Amount of Current Year Credit Applied as Rebate (Enter the Smallest of the Following: Remaining Tax Subject to Rebate (Line 16 less Line 17); **or** Remaining Credit Available to Shareholders (Line 4 less Line 15), **or** Amount of Current Year Rebate Available to Shareholder (Part I, Line 15 times Line 1)) .....

- 19. Total Rebate Applied (Line 17 plus Line 18) ..... \_\_\_\_\_
- 20. Total Credit and Rebate Applied (Line 15 plus Line 19) ..... \_\_\_\_\_
- 21. Deferred Credit (Line 20 times 20%) ..... \_\_\_\_\_
- 22. Total Credit and Rebate Less Deferred Credit (Line 20 less Line 21) ..... \_\_\_\_\_
- 23. Tax Eligible for Free-Up Credit (Line 12 less Line 22) ..... \_\_\_\_\_
- 24. Free-Up Credit Available to Taxpayer (Part I, Line 16 times Line 1) ..... \_\_\_\_\_
- 25. Final Credit Total (Line 22 plus Line 24) ..... \_\_\_\_\_

**Continuation of Claiming Deferred Credit and Carryover Rebate in 11th to 13th Years**

**NOTE:** The following sections can only be used for claiming accumulated Deferred Credit and Rebate Carryover Credit for projects in the 11th to 13th years.

- 26. Tax Remaining Attributable to Investment (Part II, Line 12 less Part II, Line 25) ..... \_\_\_\_\_
- 27. Deferred Credit Available to Shareholders (Part I, Line 20 times Part II, Line 1) ..... \_\_\_\_\_
- 28. Applied Deferred Credit (Enter the Smaller of Part II, Line 26 and Part II, Line 27) ..... \_\_\_\_\_
- 29. Remaining Rebate Carryover Available to Shareholder (Part II, Line 5, Less Part II, Line 17) ..... \_\_\_\_\_
- 30. Applied Rebate Carryover Credit (Enter the Smaller of Part II, Line 29 and  
Part II, Line 26 Less Part II, Line 28) ..... \_\_\_\_\_
- 31. Total Applied Deferment Credit and Applied Rebate Carryover Credit  
(Part II, Line 28 Plus Part II, Line 30) ..... \_\_\_\_\_
- 32. Total Regular, Deferment and Rebate Carryover Credit (Part II, Line 25 Plus Part II, Line 31) ..... \_\_\_\_\_

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# INSTRUCTIONS FOR SCHEDULE BCS-PIT

## GENERAL INSTRUCTIONS - APPLICATION OF CREDIT TO PERSONAL INCOME TAX

To claim this credit, this schedule must be completed and filed with your Personal Income Tax return (IT-140 or IT-140NR/PY). The schedule and return must be filed by the due date of the annual return without regard to extension of time for filing and payment of tax due.

A properly completed Schedule BCS-PIT must be accompanied by a copy of the form WV/BCS-1 completed by the pass-through entity providing the Personal Income Tax credit. A copy of Federal Form 1120, Schedule K-1 must also be attached to the Schedule BCS-PIT showing the percentage of ownership by the party claiming the credit. A Personal Income Tax taxpayer claiming credit from more than one pass-through entity must attach these documents for each pass-through entity from which credit is claimed.

Any taxpayer completing this schedule must provide a copy of the schedule to the pass-through entity through which the credit is claimed.

These instructions are not a substitute for tax statutes and regulations. They are intended to facilitate the claiming of this credit. The statutes are codified at **West Virginia Code** 11-13C, and the regulations at 110 C.S.R. 13C § 1, et. seq. and may be obtained from the Secretary of State for a reasonable fee. Questions concerning interpretation of law or these forms and instructions should be addressed to the Tax Division.

## SPECIFIC LINE INSTRUCTIONS

### Part I

- Line 5. Enter the amount of the credit applied by the pass-through entity for each of the taxes listed. This information may be found on the Form WV/BCS-1, Part IV, Column 5, in the row for each respective tax type.
- Line 11. The pass-through entity must apply all of any available rebate from prior tax years before the application of any available rebate from the current tax year. This information may be found on the Form WV/BCS-1, Part IV, column 7, in the row for each respective tax type.
- Line 13. The amount of credit remaining for application by all shareholders or partners against their respective Personal Income Tax liabilities is equal to the total amount of current year credit available, less the amount of current year credit applied to the four taxes having precedence over the Personal Income Tax for credit purposes, less the amount of current year credit applied as rebate against the four taxes having precedence over the Personal Income Tax for credit purposes.
- Line 16. The free-up credit is only available to those pass-through entities subject to the Minimum Severance Tax on Coal.
- Line 17. For tax years ending after May 31, 1993, taxpayers claiming the Business Investment and Jobs Expansion Tax Credit (Super Credit) were required to defer 20 percent of the value of the annual credit applications until the tenth, eleventh and twelfth tax years subsequent to the year qualified investment was placed in service or use. The amount reported on Part 1, Line 17 should be the accumulated total of deferred credit less amounts claimed in prior years.

### Part II

- Line 4. Each shareholder or partner is allocated the available credit based on their percentage of ownership of the pass-through entity.
- Line 7. Equivalent West Virginia Gross Income for IT-140NR/PY filers.
- A. Calculate equivalent taxable income (ETI).
1. For taxpayers with filing status 1 (i.e. married filing jointly, single, head of household, or widow(er) with dependent child).  
If West Virginia Income Tax is zero, then ETI is zero;  
If West Virginia Income Tax is greater than zero and less than or equal to \$300, the ETI is West Virginia Income Tax divided by 0.0300;  
If West Virginia Income Tax is greater than \$300 and less than or equal to \$900, then ETI is \$10,000 plus the quantity obtained by subtracting \$300 from the West Virginia Income Tax and dividing this result by 0.0400;  
If West Virginia Income Tax is greater than \$900 and less than or equal to \$1,575, then ETI is \$25,000 plus the quantity obtained by subtracting \$900 from the West Virginia Income Tax and dividing this result by 0.0450;

If West Virginia Income Tax is greater than \$1,575 and less than or equal to \$2,775, then ETI is \$40,000 plus the quantity obtained by subtracting \$1,575 from the West Virginia Income Tax and dividing this result by 0.0600;

If West Virginia Income Tax is greater than \$2,775, then ETI is \$60,000 plus the quantity obtained by subtracting \$2,775 from West Virginia Income Tax and dividing this result by 0.0650.

2. For taxpayers with filing status 2 (i.e., married filing separately):

If West Virginia Income Tax is zero, then ETI is zero.

If West Virginia Income Tax is greater than zero and less than or equal to \$150, the ETI is West Virginia Income Tax divided by 0.0300;

If West Virginia Income Tax is greater than \$150 and less than or equal to \$450, then ETI is \$5,000 plus the quantity obtained by subtracting \$150 from the West Virginia Income Tax and dividing this result by 0.0400;

If West Virginia Income Tax is greater than \$450 and less than or equal to \$787.50, then ETI is \$12,500 plus the quantity obtained by subtracting \$450 from the West Virginia Income Tax and dividing this result by 0.0450;

If West Virginia Income Tax is greater than \$787.50 and less than or equal to \$1,387.50, then ETI is \$20,000 plus the quantity obtained by subtracting \$787.50 from the West Virginia Income Tax and dividing this result by 0.0600;

If West Virginia Income Tax is greater than \$1,387.50, then ETI is \$30,000 plus the quantity obtained by subtracting \$1,387.50 from West Virginia Income Tax and dividing this result by 0.0650.

- B. Calculate equivalent exemption value (EEV).

The equivalent exemption value is determined by multiplying the reported exemption value by the reported income percentage.

- C. Equivalent West Virginia Adjusted Gross Income.

The Equivalent West Virginia Adjusted Gross Income is determined as the minimum of Total West Virginia Income (from Form IT-140NR/PY) and the sum of the Equivalent Taxable Income (ETI) and the Equivalent Exemption Value (EEV).

Line 23. Only taxpayers claiming this credit from a pass-through entity subject to West Virginia Severance Tax are eligible for the Free-Up credit component.

Line 25. **or**

Line 32. Transfer the appropriate figure to the appropriate line on the Personal Income Tax return.

Information regarding this business credit schedule may be obtained by contacting the:

West Virginia State Tax Department  
Taxpayer Services Division  
P. O. Box 3784  
Charleston, West Virginia 25337-3784

Telephone: (304) 558-3333 or  
Toll free: 1-800-WVA-TAXS (1-800-982-8297)

A TDD Service is available for the hearing impaired by calling 1-800-2TAXTDD (1-800-282-9833)

To order forms or publications please call the automated information system at:  
(304) 344-2068 or 1-800-422-2075 our toll free number within West Virginia

Internet Address: <http://www.state.wv.us/taxdiv>